GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:934
ANSWERED ON:27.07.2001
WORLD BANK LOAN FOR KARNATAKA
GANGASANDRA SIDDAPPA BASAVARAJ;GOWDAR MALLIKARJUNAPPA;IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has agreed to release a loan of Rs. 1,635 crore out of a total project cost of Rs. 2,030 crore for upgrading and improving 2,300 kms of State Highways in Karnataka;

(b) if so, when was the first instalment released;

(c) whether the negotiations have been concluded in 20 months against the usual 24 months period;

(d) if so, the details thereof;

(e) the time by which it is likely to be repaid;

(f) whether the Karnataka Government has fully utilized the loan provided by the World Bank; and

(g) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance (SHRI GINGEE N. RAMACHANDRAN)

(a): Yes, Sir.

(b): The funds would be released after the project becomes effective, which is likely to be by October, 2001.

(c)&(d): There is no standard time frame for project preparation leading to negotiations and varies from project to project. The project was negotiated in 22 months after the Bank`s identification mission.

(e): The loan has a 20 year maturity period of which five year is the grace period.

(f)&(g): No, Sir. The loan is yet to become effective.